chiefly on account of the prevailing economic depression. The expenditure on Devaswoms and the Miscellaneous Political Expenditure were higher on account of the extraordinary items under those heads, *viz.*, the *Murajapom* and the visit of His Excellency the Viceroy.

For 1106, the budget forecast is for a revenue of Rs. 250·79 lakhs and an expenditure of Rs. 248·77 lakhs yielding a revenue surplus of Rs. 2·02 lakhs. But on account of the prevailing economic depression and as the effect of the anti-drink agitation, Government anticipate a fall in their estimated receipts. As against this a reduction in the budgetted expenditure is also expected. It is now too early, however, to attempt a forecast of the extent of the fluctuations.

Economic Conditions.

7. All the world over, economic depression prevails and Travancore has not escaped its effects. At no time in recent years have the prices of the staple articles of local produce such as paddy, pepper, cocoanut, rubber and tapioca fallen so low. Our economic revival depends to a large extent upon the increased buying capacity of our foreign customers and no action taken by ourselves alone can accelerate the economic revival of the foreign countries which buy our goods. The position is anyway serious and the actual conditions deserve to be studied. Government therefore propose to appoint a committee to investigate and report upon the causes of the present trade depression so far as it affects Travancore and to propose measures that might be adopted to meet the situation. One direction, however, in which Government propose to take immediate action with a view to afford temporary relief is by a liberal grant of loans to agriculturists. Government accordingly propose to sanction an allotment of Rs. 1½ lakhs under Agricultural Loans in addition to the Rs. 2 lakhs allotted for the purpose in the budget for 1106.

Trade.

8. The total value of external trade during the year was Rs. 20·65 crores against Rs. 21·13 crores in 1104. Exports formed 55 per cent. and imports 45 per cent. of the total volume of trade, the corresponding percentages for 1104 being 56 and 44 respectively. The percentage of sea-borne trade to the total volume fell from 32·30 to 31·16, but there was no fall in the number or tonnage of the vessels that called at the Travancore ports. 862 vessels with an aggregate tonnage of 1·28 millions called at the four ports together against 822 vessels with a total tonnage of 1·26 millions in 1104. The number of steamers was 525 against 526 in the previous year, and the number of country craft increased from 296 to 337. At Alleppey alone, 450 steamers with an aggregate tonnage of 1·02 millions called in 1105 against 420 steamers with an aggregate of 0·93 million tons in 1104. Of the above, 110 were